

3 November 2011

## GALAXY'S JIANGSU LITHIUM CARBONATE PROJECT ON TRACK FOR COMPLETION

### Highlights

- Construction of Jiangsu Lithium Carbonate Project continued on schedule in Oct 2011
- Mechanical completion, commissioning on track for end-Q4 2011
- Project 91% complete at end-Oct 2011
- Galaxy maintains record of no Lost Time Injuries

Galaxy Resources Limited (ASX: GXY, Galaxy) advises that final-stage construction of the Company's wholly-owned Jiangsu Lithium Carbonate Project (the Project or Jiangsu) continued on schedule during October 2011, with substantial progress made in all plant areas.

The Company's EPCM contractor, Hatch Engineering, reported that by end-October, the Project was 91% complete and Galaxy remained on track to have the plant mechanically completed and ready for commissioning by end-Q4 2011.

The report also noted that the four large kiln (calcination and sulphation) and cooler units in Area 20 were lifted into place and are now in final stages of installation. The calcination and sulphation kilns are key pieces of infrastructure for the Project. Steel and equipment installation also advanced in line with expectations.

Galaxy Resources Managing Director Iggy Tan said the Project was nearing the final stages of completion and that -

"We continue to make good progress at Jiangsu and remain on track to commission and complete the Project in accordance with our stated schedule and budget."

"In addition to the timetable achievements, the Jiangsu construction site continues to maintain its safety record of no Lost Time Injuries. In fact, the Company has now recorded four years with no LTIs across all operations, including Mt Cattlin and Jiangsu, which is a great achievement particularly as we have 840 contractors on site at Jiangsu during dayshift and up to 230 during nightshift,"

"Some units at the back end of the plant - such as the packaging plant and microniser - were already mechanically complete and handed over to Galaxy for commissioning. Installation of electrical and control cables is underway and the lithium carbonate production building and purification unit is due to be handed over in coming weeks", said Mr Tan

-ENDS-

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**About Galaxy (ASX: GXY)**

Galaxy Resources Ltd ("Galaxy") is an Australian-based integrated lithium mining, chemicals and battery company listed on the Australian Securities Exchange (Code: GXY) and is a S&P/ASX 300 Index Company. Galaxy wholly owns the Mt Cattlin project near Ravensthorpe in Western Australia where it mines lithium pegmatite ore and processes it on site to produce a spodumene concentrate and tantalum by-product. At full capacity, Galaxy will process 137,000 tpa of spodumene concentrate and 56,000 lbs per annum of contained tantalum. The concentrated spodumene is shipped to Galaxy's wholly-owned Lithium Carbonate Plant in China's Jiangsu province. Once complete, the Jiangsu plant will produce 17,000 tpa of battery grade lithium carbonate, the largest producer in the Asia Pacific region and the fourth largest in the world.

Galaxy is also advancing plans for a lithium-ion battery plant, to produce 350,000 battery packs per annum for the electric bike (e-bike) market. The Company also has a farm in agreement with TSX-listed Lithium One Inc to acquire up to 70% of the James Bay Lithium Pegmatite Project in Quebec, Canada.

Lithium compounds are used in the manufacture of ceramics, glass, electronics and are an essential cathode material for long life lithium-ion batteries used to power e-bikes and hybrid and electric vehicles. Galaxy is bullish about the global lithium demand outlook and is positioning itself to achieve its goal of being involved in every step of the lithium supply chain.





Area 20 - Calcination cooler



Leaching Area



Area 20 – Calcination kiln background, laboratory building in fore ground



Site laboratory



Production building

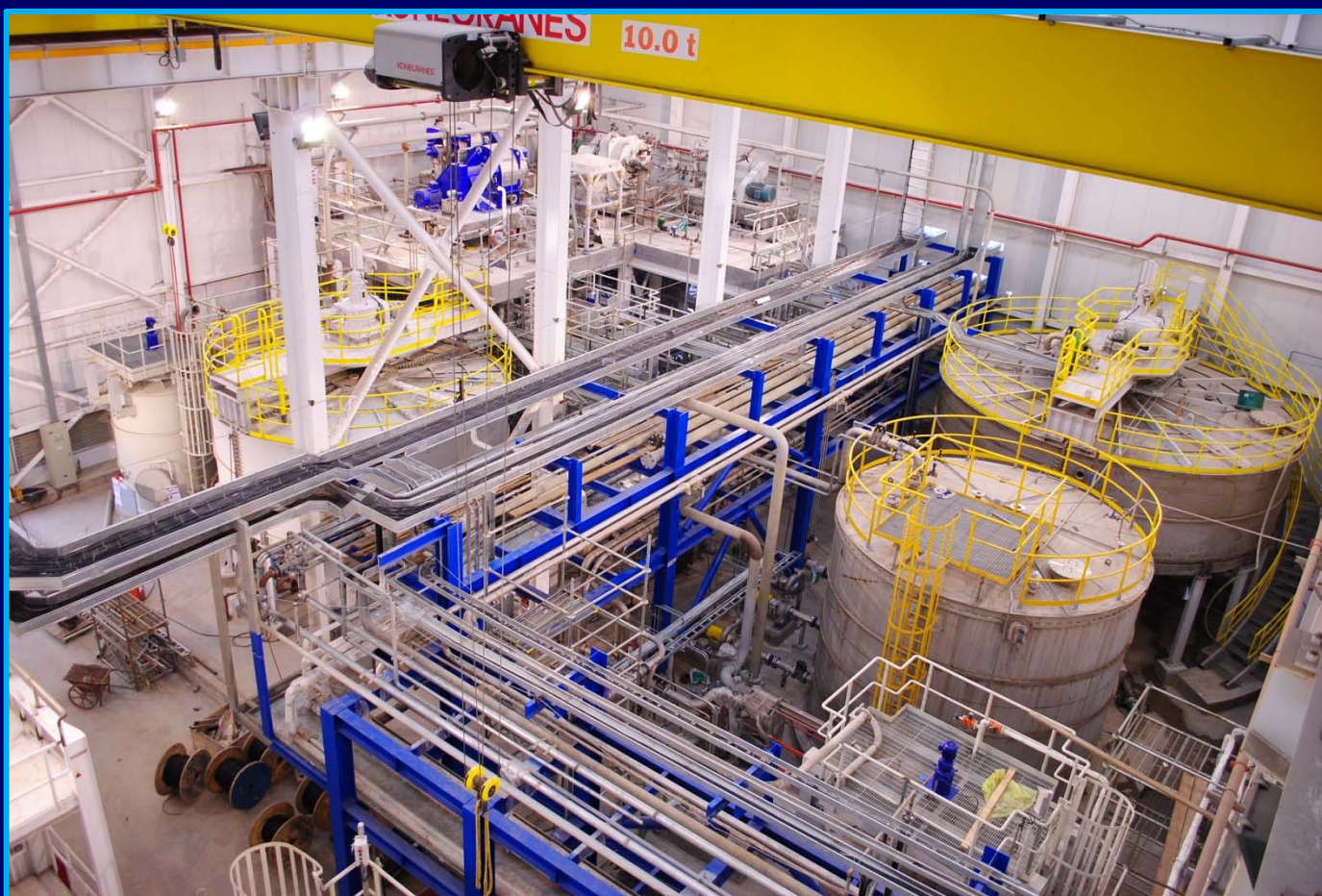




Sulphation cooler



Calcination kiln



Lithium carbonate production and purification area



Product centrifuge



Administration building





Leaching and impurity removal area



Microniser area





Reagents receival and storage area



Process water tanks





Sodium sulphate production area



Site laboratory



Purification area



M iconiser unit



Sodium sulphate dryer





Final product dryer



Sodium sulphate flash crystalliser